

DRAFT ONLY**Call to Order**

The meeting was called to order by Mr. Stumpf at 7:05 p.m. in the Third Floor Conference Room B at Town Offices. The meeting was taped but not live cablecast.

In attendance were Chairman S. Jon Stumpf, Margaret (Peggy) Kruse, Joanne Marden, Linn Anderson, Bonnie Zahorik (arrived at 7:15), Max Arai and Eugenie (Janie) Moffitt. Also present was Donna Walsh, Finance Director. Absent were John Barry and Greg Serrao.

Approval of Minutes**October 8, 2014 Meeting**

Upon motion duly made by Ms. Marden and seconded by Ms. Moffitt, it was voted to approve the above minutes with minor suggested changes. Motion passed 6-0. Ms. Zahorik arrived after this vote was taken.

November 12, 2014 Meeting

Upon motion duly made by Ms. Anderson and seconded by Ms. Marden, it was unanimously voted to approve the above minutes. Motion passed 7-0.

Finance Committee Budgetary Goal – Second Reading**Capital Projects Fund**

Discussion ensued with regard to “not living up to” current policy of 2% of operating budget being allocated for capital projects. Ms. Kruse quoted a phrase she had heard years ago that “the Finance Committee is the only committee to advocate for maintenance.” The question was raised what is included in this category, what is base and what is percentage.

Budget and Town Meeting Planning Schedule

Mr. Stumpf referenced the attached schedule distributed to members and highlighted dates of Town Meeting: May 4 and 5th; 11 and 12th. The date of April 24th was designated for mailing of the Finance Report to residents, and it was felt that deadline should be moved earlier. There was discussion of the school budget timelines, and Mr. Stumpf asked Ms. Moffitt to clarify with the school superintendent to ensure adequate time for the Finance Committee to review the school budget. Ms., Moffit will report back to the Committee.

FY2016 Revenue and Expenditure Projections*FY2015 Excess Tax Levy Capacity**Property Taxes Annual Increase*

Mr. Stumpf referenced the attached Budget Exhibit in his review of a) regular FY16 tax levy; b) FY15 excess tax levy capacity of \$1.1M; b) a 2.5% increase over and above that amount; and c) new growth amount.

Discussion ensued with the following highlights:

- a) Residents would not expect last year’s tax relief to be added back into this year’s levy, and if it were to be, the need for this addition would have to be clearly communicated before town meeting;
- b) The budget exhibit graph be redrafted to a) change the background to solid; and b) shade the excess levy limit in FY2016.

- c) The Town Manager prepares his recommend budget, but feedback can be given to him prior to his presentation on November 17th.

FY2016 Revenue and Expenditure Projections (cont.)

Free Cash Articles

Obligations – Retirement

Obligations – Health Insurance

Water and Sewer Indirect Cost Allocations

Debt Service – Non-Exempt

Balance for Town and School Operating Budget

Mr. Stumpf continued his informational review of Revenue and Expenditure Projections by referencing the attached spreadsheet, which is an encapsulation of the numbers in the CIP book. Discussion ensued on the rationale for allocation of the various above funds and the issues involved in the budget process.

Finance Committee's Budgetary Goals

Ms. Zahorik referenced the attached document as the second draft of Finance Committee Five-Point Goals, which were expanded from Ms. Marden's original goals. Discussion ensued with regard to the Finance Committee's fiscal responsibilities of a truly balanced, sustainable and generationally equitable budget and how to best reflect that in the statement of goals. It was agreed that Ms. Zahorik would redraft the goals pursuant to today's discussion, and a subcommittee would be formed to address these issues, and would be chaired by Ms. Zahorik with members, Ms. Marden and Mr. Arai. The first meeting is planned for Tuesday, November 18th.

Future Meetings

The next meeting of the Committee was changed from Wednesday, November 19th to Tuesday, November 18th. The Triboard is scheduled for November 24th.

Liaison Updates

Retirement - Ms. Marden reported that the Retirement Board is meeting December 5th. Mr. Stumpf asked if all meetings would be cablecast, and Ms. Walsh answered it depended on availability of cable staff during the day.

School Dept – Ms. Moffitt reported first quarter of district operating budget and circuit breaker projected budget of \$5.6 is at actual \$5.3 – a \$265K surplus. Number of students is 78. Transportation for special ed is down in numbers, from 77 to 58 students.

Police and Fire - Mr. Barry reported the Ballardvale Subcommittee is meeting tomorrow, Thursday, November 12th at 7:30am and the OPEB Subcommittee is meeting at night.

IT – Ms. Anderson referenced the attached slides forwarded by Paul Puzzanghera following his presentation on his unified technology plan to the Board of Selectmen. The Board had asked about the IT Advisory Council (ITAC), a joint five-member council with three town appointees and 2 school appointees. It appears that ITAC has not met on any regular basis, nor has it provided insight-guidance to the IT department.

Library - Ms. Zahorik reported she had met with Ms. Mazin and discussed work to be done on reference area; children's area to be next year's project. Remodeling of the roof deck was under the Plant and Facilities budget. Ms Zahorik commented that the traditional library model has been replaced by a community center model.

Adjournment

Upon motion duly made by Mr. Arai and seconded by Ms. Moffitt, it was unanimously voted to adjourn.
The motion passed 7-0.

The meeting was adjourned at 8:50 p.m.

Respectfully submitted,

Christine Martin Barraford
Recording Secretary

Revised Budget Exhibit
Budget Model
IT Unified Technology Presentation to BOS
Redraft of Finance Committee Goals
Draft Finance Committee Goals